

Message Text

UNCLASSIFIED

PAGE 01 SAO PA 01774 102023Z

72

ACTION EB-05

INFO OCT-01 ARA-10 ADP-00 RSR-01 RSC-01 /018 W

----- 058652

R 101946Z AUG 73

FM AMCONSUL SAO PAULO

TO USDOC WASHDC

INFO SECSTATE WASHDC 4462

AMEMBASSY BRASILIA

AMCONSUL RIO DE JANEIRO

UNCLAS SAO PAULO 1774

COMMERCE FOR A. STIRLING/BIC/OIM/MRD-216 AND T. JOHNSON

OIM/LA

E.O. 11652: N/A

TAGS: BEXP, XE, XG, XH, XM, AS, BR

SUBJECT: OIM/TIR-MFE

REF USDOC 10807

1. CONGEN HAS RECENTLY SOLICITED BIDS ON FOUR MARKETING STUDIES, TWO FROM OIM/TIR(PGA AND ELECTRONIC COMPONENTS) AND TWO FROM OIM/LA(TEXTILE EQUIPMENT AND CHEMICAL/PETRO CHEMICAL PROCESSING EQUIPMENT). ALL FOUR STUDIES NOW IN PROGRESS.

2. DURING BID SOLICITATION PHASE, ONLY THREE FIRMS OUT OF SEVEN CONTACTED INDICATED ANY INTEREST AT ALL, AND MARKAD WAS FINALLY AWARDED STUDIES ON TEXTILE EQUIPMENT AND ELECTRONIC COMPONENTS. CONSISA (RIO) IS DOING PGA AND DEMANDA THE STUDY ON CHEMICAL/PETRO CHEMICAL PROCESSING EQUIPMENT.

3. PROGRESS OF WORK TO DATE INDICATES THAT CONCISA WILL BE AT LEAST THREE WEEKS LATE IN DELIVERING STUDY, AND THAT DEMANDA EXPERIENCING SERIOUS PROBLEMS WHICH MAY LEAD TO DELAY OF AT LEAST FOUR WEEKS (UNLESS CONTRACT CANCELLED). MARKAD WILL DELIVER TEXTILE STUDY ON TIME, AND MR. STEVENS CONFIDENT ELECTRONIC COMPONENTS STUDY WILL BE COMPLETED AS SCHEDULED.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SAO PA 01774 102023Z

4. CONCISA HAS RECENTLY INFORMED CONGEN IT NO LONGER INTER-

ESTED IN BIDDING ON FUTURE STUDIES FOR FEES UNDER \$7,500. DEMANDA, A FIRM IN SOME FINANCIAL DIFFICULTY, HAS NEVER PERFORMED TOO IMPRESSIVELY FOR CONGEN IN PAST, AND IN OUR RECENT DEALINGS ON THE CURRENT STUDY HAS NOT SHOWN NOTABLE IMPROVEMENT. ON BASIS THIS PERFORMANCE CONGEN NOT PREPARED RECOMMEND DEMANDA FOR ANY ADDITIONAL STUDIES.

5. IN REALITY, THERE IS PRESENTLY ONLY ONE FIRM IN SAO PAULO WHICH IS CAPABLE OF DOING COMMERCE STUDIES IN ACCEPTABLE FORM IN ENGLISH, AT REASONABLE COSTS. THAT FIRM IS MARKAD, WHICH IS ESSENTIALLY AN OPERATION RUN BY A RETIRED BUSINESSMAN AND HIS SON. THEY HIRE OUTSIDE SPECIALISTS WHEN NECESSARY, BUT FINAL WRITING OF REPORTS IS HANDLED ALWAYS BY MR. STEVENS HIMSELF. REGARDLESS OF WHO COMMISSIONS CONGEN TO SOLICIT BIDS ON FUTURE STUDIES, UNLESS SITUATION CHANGES UNEXPECTEDLY, ONLY MARKAD CAN BE A SERIOUS BIDDER AT PRICES NEAR TO CURRENT FEE LEVELS. IF MARKAD WERE TO REFUSE TO MAKE A BID, EITHER BECAUSE OF INADEQUATE FEES OR LACK OF TIME (MARKAD DOES WORK BOTH FOR JETRO AND THE ECONOMIST INTELLIGENCE UNIT (LONDON), AS WELL AS FOR OTHER PRIVATE CLIENTS) THEN CONGEN WOULD FIND IT DIFFICULT IF NOT IMPOSSIBLE TO PLACE STUDY WITH AN ASSURANCE COMPETENT JOB.

6. IN VIEW OF ABOVE, AND CONTENTS OF RECENT STIRLING LETTER TO CONGEN SAO PAULO, WHICH WE BELIEVE EMINENTLY SENSIBLE, THERE IS COMPELLING REASON TO CONSIDER SERIOUSLY A MORE STABLE RELATIONSHIP WITH MR. STEVENS OF MARKAD TO ENSURE CONTINUATION OF THE ACTIVE BRAZIL MARKET SURVEY PROGRAM WHICH COMMERCE HAS SPONSORED OVER PAST 18 MONTHS HERE. THIS MATTER WILL BE DISCUSSED WITH STEVENS NEXT WEEK, AND A SUMMARY OF THE DISCUSSION SENT TO COMMERCE.

7. MR. STEVENS HAS SAID HE WILL MAKE A BID ON MFE STUDY, AND, UNDER THE CIRCUMSTANCES OUTLINED ABOVE, CONGEN DOES NOT PLAN AT PRESENT TO APPROACH OTHER FIRMS.

8. FOLLOWING THE AWARD OF THE MFE STUDY, CONGEN CONCURS WITH SUGGESTION IN THE STIRLING LETTER THAT WE SHOULD WORK OUT AN ACCEPTABLE PACKAGE TO OFFER MARKAD IN ORDER TO ENABLE COMPLETION OF A SUCCESSFUL OVERALL PROGRAM FOR FY 1974 WITH MINIMUM DISRUPTION TO BOTH COMMERCE AND CONGEN. AS STIRLING LETTER
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 SAO PA 01774 102023Z

CORRECTLY IMPLIED, THERE IS NO BRAZILIAN ALTERNATIVE TO MARKAD AT PRESENT, AND NO ONE WISHES CONTINUALLY TO TRY OUT NEW CANDIDATES WHEN THEY ARE UNKNOWN AND THERE IS ALREADY A PROVEN COMPANY ABLE TO DO THE JOB WITHIN ACCEPTABLE GUIDELINES.

9. THE CONSUL GENERAL WISHES ADD FOLLOWING TO ABOVE: QUOTE I HAVE PERSONALLY FOLLOWED THE COURSE OF THE MARKETING STUDIES BIDS VERY CLOSELY, AND AM IN FULL AGREEMENT THAT THIS VALUABLE

PROGRAM SHOULD BE CONTINUED, BUT ONLY ON A REALISTIC, LONG-RANGE BASIS, IN ORDER TO AVOID THE HECTIC AND LARGELY FRUITLESS BEATING OF THE BUSHES WHICH OCCURS WHENEVER A NEW BIDDER IS BEING SOUGHT. UNQUOTE.
CHAPIN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 10 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SAOPA01774
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: SAO PAULO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730845/aaaabgtk.tel
Line Count: 120
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: USDOC 10807
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 14 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14-Dec-2001 by reddocgw>; APPROVED <26 FEB 2002 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OIM/TIR-MFE
TAGS: BEXP, XE, XG, XH, XM, AS, BR
To: n/a
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005